
United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported):

November 2, 2021

Fidelity National Financial, Inc.

(Exact name of Registrant as Specified in its Charter)

001-32630

(Commission File Number)

Delaware

16-1725106

(State or Other Jurisdiction of
Incorporation or Organization)

(IRS Employer Identification Number)

601 Riverside Avenue

Jacksonville, Florida 32204

(Addresses of Principal Executive Offices)

(904) 854-8100

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
FNF Common Stock, \$0.0001 par value	FNF	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition

On November 2, 2021, Fidelity National Financial, Inc. (the "Company", "FNF") issued an earnings release announcing its financial results for the Third Quarter of 2021. A copy of the FNF earnings release is attached as Exhibit 99.1 to this Current Report on Form 8-K. In addition, the Company is furnishing the quarterly financial supplement for its F&G operating segment as Exhibit 99.2 to this Current Report on Form 8-K.

The following information, including the Exhibits referenced in this Item 2.02, is being furnished pursuant to this Item 2.02 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits**(d) Exhibits**

Exhibit	Description
99.1	Press release announcing FNF Third Quarter 2021 Earnings
99.2	Financial Supplement of F&G, dated November 2, 2021
101	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Fidelity National Financial, Inc.

Date: November 2, 2021

By: /s/ Anthony J. Park

Name: Anthony J. Park

Title: Chief Financial Officer



PRESS RELEASE

FNF Reports Third Quarter 2021 Diluted EPS from Continuing Operations of \$2.58 and Adjusted Diluted EPS from Continuing Operations of \$2.12, Pre-Tax Title Margin of 16.6% and Adjusted Pre-Tax Title Margin of 21.7%

Jacksonville, Fla. - (November 2, 2021) - Fidelity National Financial, Inc. (NYSE:FNF), a leading provider of title insurance and transaction services to the real estate and mortgage industries and a leading provider of annuity and life insurance products through the Company's wholly-owned subsidiary, F&G, today reported operating results for the period ended September 30, 2021.

- Total revenue of \$3.9 billion in the third quarter versus \$3.0 billion in the third quarter of 2020
- Third quarter net earnings from continuing operations of \$735 million and adjusted net earnings from continuing operations of \$604 million versus net earnings from continuing operations of \$406 million and adjusted net earnings of \$435 million for the third quarter of 2020
- Third quarter diluted EPS from continuing operations of \$2.58 and adjusted diluted EPS from continuing operations of \$2.12 versus diluted EPS from continuing operations of \$1.39 and adjusted diluted EPS from continuing operations of \$1.48 in the third quarter of 2020
- Recognized losses were \$154 million in the third quarter versus recognized gains of \$73 million in the third quarter of 2020 primarily due to mark to market accounting treatment of equity and preferred stock securities whether the securities were disposed of in the quarter or continue to be held in our investment portfolio

Title

- Total revenue of \$2.9 billion versus \$2.5 billion in total revenue in the third quarter of 2020
- Total revenue, excluding recognized gains and losses, of \$3.1 billion versus \$2.5 billion in the third quarter of 2020, an increase of 24%
- Pre-tax earnings of \$486 million and adjusted pre-tax earnings of \$669 million versus pre-tax earnings of \$507 million and adjusted pre-tax earnings of \$528 million in the third quarter of 2020
- Pre-tax title margin of 16.6% and adjusted pre-tax title margin of 21.7% versus pre-tax title margin of 20.4% and adjusted pre-tax title margin of 21.2% in the third quarter of 2020
- Third quarter purchase orders opened increased 1% on a daily basis and purchase orders closed increased 9% on a daily basis versus the third quarter of 2020; refinance orders opened decreased 33% on a daily basis and refinance orders closed decreased 21% on a daily basis versus the third quarter of 2020
- Total commercial revenue of \$366 million, a 69% increase versus total commercial revenue in the third quarter of 2020, driven by a 31% increase in closed orders; third quarter total commercial orders opened increased 15% compared to the prior year
- Overall third quarter average fee per file of \$2,581, a 25% increase versus the third quarter of 2020

Title Orders

Month	Direct Orders Opened * / (% Purchase)		Direct Orders Closed * / (% Purchase)	
July 2021	230,000	50%	171,000	52%
August 2021	242,000	49%	181,000	48%
September 2021	216,000	50%	175,000	49%
Third Quarter 2021	688,000	50%	527,000	50%

Month	Direct Orders Opened * / (% Purchase)		Direct Orders Closed * / (% Purchase)	
July 2020	292,000	40%	187,000	43%
August 2020	283,000	40%	186,000	42%
September 2020	272,000	40%	198,000	40%
Third Quarter 2020	847,000	40%	571,000	42%

* Includes an immaterial number of non-purchase and non-refinance orders

F&G

F&G, a leading provider of annuities and life insurance, reported operating results for the third quarter of 2021. As a result of acquisition accounting (purchase accounting or PGAAP), financial results for periods after June 1, 2020 are generally not comparable to the results of prior periods. Certain metrics, such as sales and policyholder account values, are not affected by PGAAP and are comparable to prior period data.

- Total Sales of \$3.1 billion in the third quarter, an increase of 171% to the prior year, and an increase of 15% from the record sequential quarter
- Total Retail Annuity Sales of \$1.5 billion in the third quarter, an increase of 43% to the prior year, and a decrease of 7% from the record sequential quarter. Fixed Indexed Annuities (FIA) Sales of \$1.1 billion in the third quarter, an increase of 32% to the prior year, and a decrease of 5% from the record sequential quarter
- Institutional market sales of \$1.5 billion in the third quarter and \$2.6 billion year to date, including funding agreement-backed note issuances of \$1.2 billion in the third quarter and total funding agreements of \$2.3 billion year to date. In addition, F&G has closed \$371 million of pension risk transfer transactions in the third quarter and secured an additional \$564 million of pension risk transfer transactions in October 2021
- Average Assets Under Management (AAUM) of \$32.7 billion for the third quarter, up 7% from \$30.4 billion in the sequential period driven by net new business asset flows
- Net Investment Spread: FIA spread for the third quarter of 335 basis points; Total Spread, including all product lines, for the third quarter of 285 basis points
- Net Earnings Attributable to Common Shareholders of \$373 million for the third quarter, including a \$224 million one-time favorable adjustment from an actuarial system conversion which reflects modeling enhancement and other refinements, \$57 million net favorable mark-to-market effects, \$3 million loss from discontinued operations, and \$6 of million other unfavorable items; all of which are excluded from Adjusted Net Earnings
- Adjusted Net Earnings From Continuing Operations Attributable to Common Shareholders of \$101 million for the third quarter, including \$27 million of net favorable notable items

William P. Foley, II, commented, "For the third quarter, we grew revenues 31% to \$3.9 billion which resulted in adjusted net earnings growth of 39% to \$604 million, both as compared to the 2020 third quarter. Importantly, holding company cash grew by 25% to \$1.5 billion as compared to \$1.2 billion at the end of the 2021 second quarter. We grew cash on our balance sheet despite being active with our capital allocation program focused on share buybacks and a steady stream of capital return with our dividend. Our results speak to the dynamic business model that we have created which we believe positions FNF for success through varying market cycles.

Looking at our Title results, we delivered adjusted pre-tax title earnings of \$669 million and an adjusted pre-tax title margin of 21.7%, compared to adjusted pre-tax title earnings of \$528 million and an adjusted pretax title margin of 21.2% in the 2020 comparable quarter. Our third quarter margins and earnings were the strongest third quarter results in our Company's history which speaks to our market leading position combined with the outstanding execution of our entire team. Total commercial revenues also continued at record levels as we achieved \$366 million of revenues in the third quarter of 2021, an increase of 69% as compared to the year ago third quarter. Commercial opened orders have exceeded 1,000 per day over the last eight months, having consistently been in record territory and will provide momentum for the fourth quarter and the beginning of 2022 given the longer tail for closings in commercial as compared to residential.

Turning to F&G, we are making great strides on our diversified growth strategy. The new Institutional channel is on track to achieve \$3 billion of first year sales in 2021 from funding agreements and pension risk transfer transactions. In addition, total retail sales at \$1.6 billion in the quarter grew by 44%, as compared to the third quarter of 2020, and reflect productive and expanding relationships with bank, broker dealer and agent distribution partners. F&G continues to maintain attractive spreads, and this disciplined approach to attracting new business has resulted in strong adjusted net earnings that contributed 17% of FNF's consolidated results in the third quarter.

Mr. Foley concluded, "Our capital allocation strategy remains a key focus of the Board. Our disciplined strategy is focused on returning capital to shareholders, while making strategic investments in our businesses to drive profitable growth and attractive returns for our shareholders. We recently announced our fourth quarter dividend of \$0.44 per share, an increase of 10% from our previous quarterly dividend, and have continued to make share repurchases throughout the third quarter and into the fourth as we completed our previously announced \$500 million share repurchase plan in the first week of October. During the quarter we purchased 1.3 million shares at an average purchase price of \$46.29 per share."

Conference Call

We will host a call with investors and analysts to discuss third quarter 2021 FNF results on Wednesday, November 3, 2021, beginning at 12:00 p.m. Eastern Time. A live webcast of the conference call will be available on the Events and Multimedia page of the FNF Investor Relations website at fnf.com. The conference call replay will be available via webcast through the FNF Investor Relations website at fnf.com. The telephone replay will be available from 3:00 p.m. Eastern Time on November 3, 2021, through November 10, 2021, by dialing 1-844-512-2921 (USA) or 1-412-317-6671 (International). The access code will be 13723639. An expanded quarterly financial supplement providing segment results is available on the FNF Investor Relations website.

About Fidelity National Financial, Inc.

Fidelity National Financial, Inc. (NYSE: FNF) is a leading provider of title insurance and transaction services to the real estate and mortgage industries. FNF is the nation's largest title insurance company through its title insurance underwriters - Fidelity National Title, Chicago Title, Commonwealth Land Title, Alamo Title and National Title of New York - that collectively issue more title insurance policies than any other title company in the United States. More information about FNF can be found at fnf.com.

About F&G

F&G is part of the FNF family of companies. F&G is committed to helping Americans turn their aspirations into reality. F&G is a leading provider of annuity and life insurance products and is headquartered in Des Moines, Iowa. For more information, please visit www.fglife.com.

Use of Non-GAAP Financial Information

Generally Accepted Accounting Principles (GAAP) is the term used to refer to the standard framework of guidelines for financial accounting. GAAP includes the standards, conventions, and rules accountants follow in recording and summarizing transactions and in the preparation of financial statements. In addition to reporting financial results in accordance with GAAP, FNF has provided non-GAAP financial measures, which it believes are useful to help investors better understand its financial performance, competitive position and prospects for the future. These non-GAAP measures include adjusted net earnings, adjusted earnings per share, adjusted pre-tax title earnings, adjusted pre-tax title earnings as a percentage of adjusted title revenue (adjusted pre-tax title margin), F&G adjusted net earnings, F&G adjusted net earnings attributable to common shareholders, F&G net investment spread, F&G average assets under management and F&G sales.

Any non-GAAP measures should be considered in context with the GAAP financial presentation and should not be considered in isolation or as a substitute for GAAP net earnings. Further, FNF's non-GAAP measures may be calculated differently from similarly titled measures of other companies. Reconciliations of these non-GAAP measures to related GAAP measures are provided below.

Forward-Looking Statements and Risk Factors

This press release contains forward-looking statements that involve a number of risks and uncertainties. Statements that are not historical facts, including statements regarding our expectations, hopes, intentions or strategies regarding the future are forward-looking statements. Forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available to, management. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. The risks and uncertainties which forward-looking statements are subject to include, but are not limited to: the ability of FNF to successfully integrate F&G's operations and employees; the potential impact of the consummation of the F&G transaction on relationships, including with employees, suppliers, customers and competitors; changes in general economic, business, political and COVID-19 conditions, including changes in the financial markets; weakness or adverse changes in the level of real estate activity, which may be caused by, among other things, high or increasing interest rates, a limited supply of mortgage funding or a weak U. S. economy; our potential inability to find suitable acquisition candidates; our dependence on distributions from our title insurance underwriters as a main source of cash flow; significant competition that F&G and our operating subsidiaries face; compliance with extensive government regulation of our operating subsidiaries; and other risks detailed in the "Statement Regarding Forward-Looking Information," "Risk Factors" and other sections of FNF's Form 10-K and other filings with the Securities and Exchange Commission ("SEC").

FNF-E

SOURCE: Fidelity National Financial, Inc.

CONTACT: Jamie Lillis, Managing Director, Solebury Trout, 203-428-3223, jlillis@soleburytrout.com

FIDELITY NATIONAL FINANCIAL, INC.
THIRD QUARTER SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

Three Months Ended

September 30, 2021

	Consolidated	Title	F&G	Corporate and Other
Direct title premiums	\$ 896	\$ 896	\$ —	\$ —
Agency title premiums	1,318	1,318	—	—
Escrow, title related and other fees	1,324	849	431	44
Total title and escrow	3,538	3,063	431	44
Interest and investment income	508	27	481	—
Recognized gains and losses, net	(154)	(169)	15	—
Total revenue	3,892	2,921	927	44
Personnel costs	894	838	32	24
Agent commissions	1,010	1,010	—	—
Other operating expenses	498	451	22	25
Benefits & other policy reserve changes	185	—	185	—
Depreciation and amortization	252	36	210	6
Claim loss expense	100	100	—	—
Interest expense	27	—	6	21
Total expenses	2,966	2,435	455	76
Pre-tax earnings (loss) from continuing operations	\$ 926	\$ 486	\$ 472	\$ (32)
Income tax expense (benefit)	213	126	96	(9)
Earnings (loss) from equity investments	27	26	—	1
Earnings (loss) from discontinued operations, net of tax	(3)	—	(3)	—
Non-controlling interests	5	4	—	1
Net earnings (loss) attributable to common shareholders	\$ 732	\$ 382	\$ 373	\$ (23)
EPS from continuing operations attributable to common shareholders - basic	\$ 2.60			
EPS from discontinued operations attributable to common shareholders - basic	(0.01)			
EPS attributable to common shareholders - basic	\$ 2.59			
EPS from continuing operations attributable to common shareholders - diluted	\$ 2.58			
EPS from discontinued operations attributable to common shareholders - diluted	(0.01)			
EPS attributable to common shareholders - diluted	\$ 2.57			
Weighted average shares - basic	283			
Weighted average shares - diluted	285			

FIDELITY NATIONAL FINANCIAL, INC.
THIRD QUARTER SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

Three Months Ended

September 30, 2021

	Consolidated	Title	F&G	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 732	\$ 382	\$ 373	\$ (23)
Loss from discontinued operations, net of tax	(3)	—	(3)	—
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 735	\$ 382	\$ 376	\$ (23)
Pre-tax earnings (loss) from continuing operations	\$ 926	\$ 486	\$ 472	\$ (32)
Non-GAAP Adjustments				
Recognized (gains) and losses, net	71	169	(98)	—
Indexed product related derivatives	26	—	26	—
Purchase price amortization	25	14	7	4
Transaction costs	3	—	1	2
Other non-recurring items ⁽¹⁾	(284)	—	(284)	—
Adjusted pre-tax earnings (loss)	\$ 767	\$ 669	\$ 124	\$ (26)
Total non-GAAP, pre-tax adjustments	\$ (159)	\$ 183	\$ (348)	\$ 6
Income taxes on non-GAAP adjustments	28	(44)	73	(1)
Total non-GAAP adjustments	\$ (131)	\$ 139	\$ (275)	\$ 5
Adjusted net earnings (loss) from continuing operations attributable to common shareholders	\$ 604	\$ 521	\$ 101	\$ (18)
Adjusted EPS from continuing operations attributable to common shareholders - diluted	2.12			

(1) See F&G Non-GAAP Measures and Other Information

FIDELITY NATIONAL FINANCIAL, INC.
THIRD QUARTER SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

Three Months Ended

September 30, 2020

	Consolidated	Title	F&G	Corporate and Other
Direct title premiums	\$ 733	\$ 733	\$ —	\$ —
Agency title premiums	981	981	—	—
Escrow, title related and other fees	853	742	60	51
Total title and escrow	2,567	2,456	60	51
Interest and investment income	336	31	305	—
Recognized gains and losses, net	73	(3)	77	(1)
Total revenue	2,976	2,484	442	50
Personnel costs	782	726	23	33
Agent commissions	749	749	—	—
Other operating expenses	449	386	33	30
Benefits & other policy reserve changes	251	—	251	—
Depreciation and amortization	100	39	56	5
Claim loss expense	77	77	—	—
Interest expense	29	—	7	22
Total expenses	2,437	1,977	370	90
Pre-tax earnings (loss)	\$ 539	\$ 507	\$ 72	\$ (40)
Income tax expense (benefit)	133	129	6	(2)
Earnings from equity investments	7	5	—	2
Earnings (loss) from discontinued operations, net of tax	(28)	—	(28)	—
Non-controlling interests	7	7	—	—
Net earnings (loss) attributable to common shareholders	\$ 378	\$ 376	\$ 38	\$ (36)
EPS from continuing operations attributable to common shareholders - basic	\$ 1.40			
EPS from discontinued operations attributable to common shareholders - basic	\$ (0.10)			
EPS attributable to common shareholders - basic	\$ 1.30			
EPS from continuing operations attributable to common shareholders - diluted	\$ 1.39			
EPS from discontinued operations attributable to common shareholders - diluted	\$ (0.10)			
EPS attributable to common shareholders - diluted	\$ 1.29			
Weighted average shares - basic	291			
Weighted average shares - diluted	293			

FIDELITY NATIONAL FINANCIAL, INC.
THIRD QUARTER SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

Three Months Ended

September 30, 2020

	Consolidated	Title	F&G	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 378	\$ 376	\$ 38	\$ (36)
Loss from discontinued operations, net of tax	(28)	—	(28)	—
Net earnings (loss) from continuing operations, attributable to common shareholders	\$ 406	\$ 376	\$ 66	\$ (36)
Pre-tax earnings (loss) from continuing operations	539	507	72	(40)
Non-GAAP Adjustments				
Recognized (gains) and losses, net	(11)	3	(15)	1
Indexed product related derivatives	14	—	14	—
Debt issuance costs	1	—	—	1
Purchase price amortization	29	18	7	4
Transaction costs	12	—	10	2
Adjusted pre-tax earnings (loss)	\$ 584	\$ 528	\$ 88	\$ (32)
Total non-GAAP, pre-tax adjustments	\$ 45	\$ 21	\$ 16	\$ 8
Income taxes on non-GAAP adjustments	(15)	(5)	(8)	(2)
Non-controlling interest on non-GAAP adjustments	(1)	(1)	—	—
Total non-GAAP adjustments	\$ 29	\$ 15	\$ 8	\$ 6
Adjusted net earnings attributable to common shareholders	\$ 435	\$ 391	\$ 74	\$ (30)
Adjusted EPS attributable to common shareholders - diluted	\$ 1.48			

FIDELITY NATIONAL FINANCIAL, INC.
YTD SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

Nine Months Ended
September 30, 2021

	Consolidated	Title	F&G	Corporate and Other
Direct title premiums	\$ 2,546	\$ 2,546	\$ —	\$ —
Agency title premiums	3,632	3,632	—	—
Escrow, title related and other fees	3,123	2,433	557	133
Total title and escrow	9,301	8,611	557	133
Interest and investment income	1,424	83	1,341	—
Recognized gains and losses, net	121	(258)	370	9
Total revenue	10,846	8,436	2,268	142
Personnel costs	2,596	2,418	93	85
Agent commissions	2,787	2,787	—	—
Other operating expenses	1,432	1,281	76	75
Benefits & other policy reserve changes	734	—	734	—
Depreciation and amortization	540	103	419	18
Claim loss expense	278	278	—	—
Interest expense	83	—	21	62
Total expenses	8,450	6,867	1,343	240
Pre-tax earnings (loss) from continuing operations	\$ 2,396	\$ 1,569	\$ 925	\$ (98)
Income tax expense (benefit)	555	389	189	(23)
Earnings (loss) from equity investments	54	48	—	6
Earnings from discontinued operations, net of tax	8	—	8	—
Non-controlling interests	14	13	—	1
Net earnings (loss) attributable to common shareholders	\$ 1,889	\$ 1,215	\$ 744	\$ (70)
EPS from continuing operations attributable to common shareholders - basic	\$ 6.57			
EPS from discontinued operations attributable to common shareholders - basic	0.03			
EPS attributable to common shareholders - basic	\$ 6.60			
EPS from continuing operations attributable to common shareholders - diluted	\$ 6.53			
EPS from discontinued operations attributable to common shareholders - diluted	0.03			
EPS attributable to common shareholders - diluted	\$ 6.56			
Weighted average shares - basic	286			
Weighted average shares - diluted	288			

FIDELITY NATIONAL FINANCIAL, INC.
YTD SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

Nine Months Ended
September 30, 2021

	Consolidated	Title	F&G	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 1,889	\$ 1,215	\$ 744	\$ (70)
Earnings from discontinued operations, net of tax	8	—	8	—
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 1,881	\$ 1,215	\$ 736	\$ (70)
Pre-tax earnings (loss) from continuing operations	\$ 2,396	\$ 1,569	\$ 925	\$ (98)
Non-GAAP Adjustments				
Recognized (gains) and losses, net	6	258	(243)	(9)
Indexed product related derivatives	(84)	—	(84)	—
Purchase price amortization	74	42	20	12
Transaction costs	13	—	5	8
Other non-recurring items ⁽¹⁾	(284)	—	(284)	—
Adjusted pre-tax earnings (loss)	\$ 2,121	\$ 1,869	\$ 339	\$ (87)
Total non-GAAP, pre-tax adjustments	\$ (275)	\$ 300	\$ (586)	\$ 11
Income taxes on non-GAAP adjustments	47	(72)	121	(2)
Non-controlling interest on non-GAAP adjustments	(1)	—	—	(1)
Total non-GAAP adjustments	\$ (229)	\$ 228	\$ (465)	\$ 8
Adjusted net earnings (loss) from continuing operations attributable to common shareholders	\$ 1,652	\$ 1,443	\$ 271	\$ (62)
Adjusted EPS from continuing operations attributable to common shareholders - diluted	\$ 5.74			

(1) See F&G Non-GAAP Measures and Other Information

FIDELITY NATIONAL FINANCIAL, INC.
YTD SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

Nine Months Ended
September 30, 2020

	Consolidated	Title	F&G	Corporate and Other
Direct title premiums	\$ 1,854	\$ 1,854	\$ —	\$ —
Agency title premiums	2,497	2,497	—	—
Escrow, title related and other fees	2,201	2,007	80	114
Total title and escrow	6,552	6,358	80	114
Interest and investment income	541	120	416	5
Recognized gains and losses, net	(85)	(147)	70	(8)
Total revenue	7,008	6,331	566	111
Personnel costs	2,088	1,992	32	64
Agent commissions	1,907	1,907	—	—
Other operating expenses	1,306	1,140	45	121
Benefits & other policy reserve changes	406	—	406	—
Depreciation and amortization	189	113	59	17
Claim loss expense	196	196	—	—
Interest expense	62	1	10	51
Total expenses	6,154	5,349	552	253
Pre-tax earnings (loss) from continuing operations	\$ 854	\$ 982	\$ 14	\$ (142)
Income tax expense (benefit)	194	240	(8)	(38)
Earnings from equity investments	9	8	—	1
Earnings (loss) from discontinued operations, net of tax	(23)	—	(23)	—
Non-controlling interests	20	20	—	—
Net earnings (loss) attributable to common shareholders	\$ 626	\$ 730	\$ (1)	\$ (103)
EPS from continuing operations attributable to common shareholders - basic	\$ 2.32			
EPS from discontinued operations attributable to common shareholders - basic	\$ (0.08)			
EPS attributable to common shareholders - basic	\$ 2.24			
EPS from continuing operations attributable to common shareholders - diluted	\$ 2.29			
EPS from discontinued operations attributable to common shareholders - diluted	\$ (0.08)			
EPS attributable to common shareholders - diluted	\$ 2.21			
Weighted average shares - basic	280			
Weighted average shares - diluted	283			

FIDELITY NATIONAL FINANCIAL, INC.
YTD SEGMENT INFORMATION
(In millions, except order information in thousands)
(Unaudited)

Nine Months Ended
September 30, 2020

	Consolidated	Title	F&G	Corporate and Other
Net earnings (loss) attributable to common shareholders	\$ 626	\$ 730	\$ (1)	\$ (103)
Loss from discontinued operations, net of tax	(23)	—	(23)	—
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 649	\$ 730	\$ 22	\$ (103)
Pre-tax earnings (loss) from continuing operations	854	982	14	(142)
Non-GAAP Adjustments				
Recognized (gains) and losses, net	186	147	31	8
Indexed product related derivatives	57	—	57	—
Debt issuance costs	5	—	—	5
Purchase price amortization	77	55	9	13
Transaction costs	63	—	17	46
Other adjustments	1	1	—	—
Adjusted pre-tax earnings (loss)	\$ 1,243	\$ 1,185	\$ 128	\$ (70)
Total non-GAAP, pre-tax adjustments	\$ 389	\$ 203	\$ 114	\$ 72
Income taxes on non-GAAP adjustments	(93)	(47)	(29)	(17)
Non-controlling interest on non-GAAP adjustments	(7)	(6)	—	(1)
Total non-GAAP adjustments	\$ 289	\$ 150	\$ 85	\$ 54
Adjusted net earnings (loss) attributable to common shareholders	\$ 938	\$ 880	\$ 107	\$ (49)
Adjusted EPS attributable to common shareholders - diluted	\$ 3.31			

FIDELITY NATIONAL FINANCIAL, INC.
SUMMARY BALANCE SHEET INFORMATION
(In millions)

	September 30, 2021	December 31, 2020
	(Unaudited)	(Unaudited)
Cash and investment portfolio	\$ 45,422	\$ 37,766
Goodwill	4,515	4,495
Title plant	400	404
Total assets	58,506	50,455
Notes payable	3,097	2,662
Reserve for title claim losses	1,734	1,623
Secured trust deposits	1,147	711
Non-controlling interests	42	41
Total equity and non-controlling interests	9,374	8,392
Total equity attributable to common shareholders	9,332	8,351

Non-GAAP Measures and Other Information

Title

The table below reconciles pre-tax title earnings to adjusted pre-tax title earnings.

(Dollars in millions)	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Pre-tax earnings	\$ 486	\$ 507	\$ 1,569	\$ 982
Non-GAAP adjustments before taxes				
Recognized (gains) and losses, net	169	3	258	147
Purchase price amortization	14	18	42	55
Other adjustments	—	—	—	1
Total non-GAAP adjustments	183	21	300	203
Adjusted pre-tax earnings	\$ 669	\$ 528	\$ 1,869	\$ 1,185
Adjusted pre-tax margin	21.7 %	21.2 %	21.5 %	18.3 %

FIDELITY NATIONAL FINANCIAL, INC. QUARTERLY OPERATING STATISTICS (Unaudited)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Quarterly Opened Orders ('000's except % data)								
Total opened orders*	688	695	770	728	847	693	682	492
Total opened orders per day*	10.8	10.9	12.6	11.6	13.2	10.8	11.0	7.8
Purchase % of opened orders	50 %	53 %	42 %	38 %	40 %	37 %	41 %	50 %
Refinance % of opened orders	50 %	47 %	58 %	62 %	60 %	63 %	59 %	50 %
Total closed orders*	527	568	597	617	571	487	377	417
Total closed orders per day*	8.2	8.9	9.8	9.8	8.9	7.6	6.1	6.6
Purchase % of closed orders	50 %	47 %	34 %	38 %	42 %	35 %	46 %	49 %
Refinance % of closed orders	50 %	53 %	66 %	62 %	58 %	65 %	54 %	51 %
Commercial (millions, except orders in '000's)								
Total commercial revenue	\$ 366	\$ 347	\$ 257	\$ 322	\$ 216	\$ 184	\$ 245	\$ 321
Total commercial opened orders	66.8	69.4	62.2	57.0	58.1	43.9	56.3	55.1
Total commercial closed orders	40.1	42.3	34.8	39.5	30.6	25.7	31.0	39.1
National commercial revenue	\$ 183	\$ 176	\$ 127	\$ 177	\$ 113	\$ 96	\$ 132	\$ 186
National commercial opened orders	27.7	27.4	23.4	21.4	21.7	15.2	21.5	22.6
National commercial closed orders	14.8	14.9	11.2	13.4	9.8	8.8	10.7	16.2
Total Fee Per File								
Fee per file	\$ 2,581	\$ 2,444	\$ 1,944	\$ 2,116	\$ 2,063	\$ 1,889	\$ 2,224	\$ 2,384
Residential fee per file	\$ 2,097	\$ 2,030	\$ 1,644	\$ 1,661	\$ 1,803	\$ 1,614	\$ 1,744	\$ 1,792
Total commercial fee per file	\$ 9,100	\$ 8,200	\$ 7,400	\$ 8,200	\$ 7,100	\$ 7,200	\$ 7,900	\$ 8,200
National commercial fee per file	\$ 12,400	\$ 11,800	\$ 11,300	\$ 13,200	\$ 11,500	\$ 10,900	\$ 12,300	\$ 11,500
Total Staffing								
Total field operations employees	13,700	13,500	13,200	12,800	12,300	10,900	12,500	12,300
Actual title claims paid (\$ millions)								
	\$ 55	\$ 56	\$ 46	\$ 54	\$ 50	\$ 51	\$ 48	\$ 53

* Includes an immaterial number of non-purchase and non-refinance orders

F&G

The table below reconciles the reported after-tax net earnings from continuing operations to adjusted earnings from continuing operations attributable to common shareholders.

	Three Months Ended		Nine Months Ended
	September 30, 2021	September 30, 2020	September 30, 2021
(Dollars in millions)			
Net earnings (loss) attributable to common shareholders	\$ 373	\$ 38	\$ 744
Less: Earnings (loss) from discontinued operations, net of tax	(3)	(28)	8
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 376	\$ 66	\$ 736
Non-GAAP adjustments (1,2):			
Recognized (gains) and losses, net	(98)	(15)	(243)
Indexed product related derivatives	26	14	(84)
Purchase price amortization	7	7	20
Transaction costs	1	10	5
Other non-recurring items ⁽⁴⁾	(284)	—	(284)
Income taxes on non-GAAP adjustments	73	(8)	121
Adjusted earnings from continuing operations attributable to common shareholders	\$ 101	\$ 74	\$ 271

Adjusted earnings from continuing operations include \$27 million and \$61 million of net favorable items in the three and nine months ended September 30, 2021 respectively and \$10 million net favorable items in the three months ended September 30, 2020.

The table below provides summary financial highlights.

	Three Months Ended		Nine Months Ended
	September 30, 2021	September 30, 2020	September 30, 2021
(Dollars in millions)			
Average assets under management (AAUM) ⁽¹⁾	\$ 32,692	\$ 26,990	\$ 30,706
Net investment spread - FIA ⁽¹⁾	3.35 %	3.17 %	3.22 %
Net investment spread - All products ⁽¹⁾	2.85 %	2.62 %	2.78 %
Net earnings (loss) from continuing operations attributable to common shareholders	\$ 376	\$ 66	\$ 736
Adjusted earnings from continuing operations attributable to common shareholders ⁽¹⁾	\$ 101	\$ 74	\$ 271

The table below provides a summary of sales highlights, which are not affected by PGAAP and are comparable to prior period data.

(In millions)	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Total sales ⁽¹⁾	\$ 3,076	\$ 1,133	\$ 7,397	\$ 3,378
Fixed indexed annuity (FIA) sales ⁽¹⁾	\$ 1,073	\$ 815	\$ 3,255	\$ 2,512
Total annuity sales ⁽¹⁾	\$ 1,531	\$ 1,068	\$ 4,692	\$ 2,926
Institutional sales ⁽¹⁾⁽³⁾	\$ 1,521	\$ —	\$ 2,646	\$ —

Footnotes:

1. Non-GAAP financial measure. See the Non-GAAP Measures section below for additional information.
2. Amounts are net of offsets related to value of business acquired (VOBA), deferred acquisition cost (DAC), deferred sale inducement (DSI) amortization, and unearned revenue (UREV) amortization, as applicable.
3. Institutional sales include funding agreements (FABN/FHLB) and pension risk transfer.
4. Reflects adjustments to benefits and other changes in policy reserves and depreciation and amortization resulting from the implementation of a new actuarial valuation system.

DEFINITIONS

The following represents the definitions of non-GAAP measures used by F&G.

Adjusted Net Earnings

Adjusted net earnings is a non-GAAP economic measure we use to evaluate financial performance each period. Adjusted net earnings is calculated by adjusting net earnings (loss) from continuing operations to eliminate:

- (i) Recognized (gains) and losses, net: the impact of net investment gains/losses, including changes in allowance for expected credit losses and other than temporary impairment ("OTTI") losses, recognized in operations; the impact of market volatility on the alternative asset portfolio; and the effect of changes in fair value of the reinsurance related embedded derivative;
- (ii) Indexed product related derivatives: the impacts related to changes in the fair value, including both realized and unrealized gains and losses, of index product related derivatives and embedded derivatives, net of hedging cost;
- (iii) Purchase price amortization: the impacts related to the amortization of certain intangibles (internally developed software, trademarks and value of distribution asset (VODA)) recognized as a result of acquisition activities;
- (iv) Transaction costs: the impacts related to acquisition, integration and merger related items, and
- (v) Other "non-recurring", "infrequent" or "unusual items": Management excludes certain items determined to be "non-recurring", "infrequent" or "unusual" from adjusted net earnings when incurred if it is determined these expenses are not a reflection of the core business and when the nature of the item is such that it is not reasonably likely to recur within two years and/or there was not a similar item in the preceding two years.

Adjustments to Adjusted net earnings are net of the corresponding impact on amortization of intangibles, as appropriate. The income tax impact related to these adjustments is measured using an effective tax rate, as appropriate by tax jurisdiction. While these adjustments are an integral part of the overall performance of F&G, market conditions and/or the non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations.

Adjusted Net Earnings Attributable to Common Shareholders

Adjusted net earnings attributable to common shareholders is a non-GAAP economic measure we use to evaluate financial performance attributable to our common shareholders each period. Adjusted net earnings attributable to common shareholders is calculated by adjusting net earnings (loss) available to common shareholders to eliminate the same items as described in the Adjusted net earnings paragraph above. While these adjustments are an integral part of the overall performance of the Company, market conditions and/or the non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, Management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations.

Net Investment Spread

Net investment spread is the excess of net investment income, adjusted for market volatility on the alternative asset investment portfolio, earned over the sum of interest credited to policyholders and the cost of hedging our risk on indexed product policies. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the performance of the Company's invested assets against the level of investment return provided to policyholders, inclusive of hedging costs.

Average Assets Under Management (AAUM)

AAUM is calculated as the sum of:

- (i) total invested assets at amortized cost, excluding derivatives;
- (ii) related party loans and investments;
- (iii) accrued investment income;
- (iv) funds withheld at fair value;
- (v) the net payable/receivable for the purchase/sale of investments, and
- (iv) cash and cash equivalents, excluding derivative collateral, at the beginning of the period and the end of each month in the period, divided by the total number of months in the period plus one.

Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the rate of return on assets available for reinvestment.

Sales (FIA Sales and Total Retail Annuity Sales)

Sales are not derived from any specific GAAP income statement accounts or line items and should not be viewed as a substitute for any financial measure determined in accordance with GAAP. Annuity and IUL sales are recorded as deposit liabilities (i.e. contractholder funds) within the Company's unaudited condensed consolidated financial statements in accordance with GAAP. Management believes that presentation of sales, as measured for management purposes, enhances the understanding of our business and helps depict longer term trends that may not be apparent in the results of operations due to the timing of sales and revenue recognition.

###



Experience
the Power of
Collaborative
Thinking

F&G Annuities & Life, Inc. ("F&G") - An Operating Segment of Fidelity National Financial, Inc. (NYSE:FNF)

Financial Supplement

September 30, 2021

(Year Ended December 31)

The financial statements and financial exhibits included herein are unaudited. F&G is an operating segment of FNF (the Company) and these financial statements and exhibits should be read in conjunction with the Company's periodic reports on Form 10-K, Form 10-Q and Form 8-K.

F&G (formerly NYSE:FG) was acquired by FNF (the "Business Combination") on June 1, 2020 ("Closing Date"). As a result of the Business Combination, F&G delisted from the NYSE and became a subsidiary of FNF.

All dollar amounts are presented in millions.

Non-GAAP Financial Measures

This document contains certain non-GAAP financial measures commonly used in our industry that, together with the relevant GAAP measures, may enhance a user's ability to analyze the Company's operating performance and capital position for the periods presented. These measures should be considered supplementary to our results in accordance with GAAP and should not be viewed as a substitute for the GAAP measures and are not intended to replace GAAP financial results. Our non-GAAP measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such non-GAAP measures in the same manner. Refer to the non-GAAP measures reconciliations and definitions within for further information.

F&G - An Operating Segment of FNF
Financial Supplement - September 30, 2021
(All periods are unaudited)

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F&G - An Operating Segment of FNF
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Consolidated Financial Highlights

	Three months ended					Nine months ended
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	September 30, 2021
Select Income Statement Data:						
Net earnings (loss) attributable to common shareholders	373	82	289	137	38	744
Adjusted net earnings from continuing operations attributable to common shareholders (1)	101	92	78	128	74	271
Select Metrics:						
Average Assets Under Management ("AAUM") (1)	32,692	30,423	29,016	27,864	26,990	30,706
Net investment spread (1)	2.85 %	2.95 %	2.55 %	2.55 %	2.62 %	2.78 %

(1) Refer to "Non-GAAP Financial Measures Definitions"

Sales Results by Product

The table below provides a summary of sales, which are not affected by the June 1, 2020 Business Combination, and are comparable to prior period data.

	Three months ended					Nine months ended	Nine months ended
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	September 30, 2021	September 30, 2020
Sales							
Fixed indexed annuities (FIA)	1,073	1,135	1,047	947	815	3,255	2,512
Fixed rate annuities (MYGA)	458	512	467	362	253	1,437	414
Total annuity	1,531	1,647	1,514	1,309	1,068	4,692	2,926
Index universal life (IUL)	24	20	15	13	14	59	37
Funding agreements (FABN/FHLB)	1,150	1,000	125	100	—	2,275	100
Pension risk transfer (PRT)	371	—	—	—	—	371	—
Flow reinsurance	—	—	—	37	51	—	315
Total Sales	\$ 3,076	\$ 2,667	\$ 1,654	\$ 1,459	\$ 1,133	\$ 7,397	\$ 3,378

F&G - An Operating Segment of FNF
Financial Supplement - September 30, 2021
(All periods are unaudited).

Condensed Consolidated Balance Sheets

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Assets					
Investments:					
Fixed maturity securities available for sale, at fair value, net of allowance for credit losses of \$7 at September 30, 2021	\$ 28,550	\$ 27,616	\$ 25,768	\$ 25,499	\$ 24,218
Preferred securities, at fair value	870	882	908	965	917
Equity securities, at fair value	156	176	141	82	54
Derivative investments	581	691	542	548	381
Mortgage loans, net of allowance for credit losses of \$33 at September 30, 2021	3,484	2,794	2,374	2,031	1,614
Investments in unconsolidated affiliates (a)	2,022	1,667	1,281	1,156	1,125
Other long-term investments	454	448	447	449	438
Short-term investments	258	356	72	456	34
Total investments	<u>\$ 36,375</u>	<u>\$ 34,630</u>	<u>\$ 31,533</u>	<u>\$ 31,186</u>	<u>\$ 28,781</u>
Cash and cash equivalents	2,320	1,016	995	889	1,014
Trade and notes receivables	11	11	11	10	2
Reinsurance recoverable, net of allowance for credit losses of \$19 at September 30, 2021 (a)	3,492	3,297	3,404	3,174	3,152
Goodwill (a)	1,756	1,756	1,751	1,751	1,731
Prepaid expenses and other assets	662	415	470	413	448
Lease assets	8	8	8	8	7
Other intangible assets, net (a)	2,086	2,060	2,061	1,918	1,956
Property and equipment, net	13	13	13	11	7
Income taxes receivable	—	—	—	15	19
Deferred tax asset (a)	—	51	130	44	107
Assets of discontinued operations	—	—	311	327	2,618
Total assets	<u><u>\$ 46,723</u></u>	<u><u>\$ 43,257</u></u>	<u><u>\$ 40,687</u></u>	<u><u>\$ 39,746</u></u>	<u><u>\$ 39,842</u></u>

(a) These line items included adjustments that were recorded during the remeasurement period subsequent to the June 1, 2020 acquisition. The following adjustments were recorded as of the opening balance sheet at June 1, 2020 during the quarter ending September 30, 2020: Investment in unconsolidated affiliates, \$31, Goodwill, \$6, Other intangible assets, net, (\$37), and Deferred tax asset, \$3. The following adjustments were recorded as of the opening balance sheet at June 1, 2020 during the quarter ending December 31, 2020: Goodwill, \$20, Other intangible assets, net, (\$56), Reinsurance recoverable, \$47, and Deferred tax asset, \$10. The following adjustments were recorded as of the opening balance sheet at June 1, 2020 during the quarter ending June 30, 2021: Reinsurance recoverable, (\$289), Goodwill, \$5, Other intangible assets, net, \$61, and Deferred tax asset, \$1.

F&G - An Operating Segment of FNF
Financial Supplement - September 30, 2021
(All periods are unaudited).

Condensed Consolidated Balance Sheets (continued)

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Liabilities and Shareholders' Equity					
Contractholder funds (a)	\$ 33,988	\$ 32,166	\$ 29,592	\$ 28,718	\$ 27,488
Future policy benefits (a)	3,985	3,670	3,959	4,010	4,048
Accounts payable and accrued liabilities (a)	1,670	1,276	1,368	1,174	1,056
Income taxes payable	3	17	5	—	—
Deferred tax liability	9	—	—	—	—
Notes payable	979	589	589	589	589
Funds withheld for reinsurance liabilities	1,508	1,271	1,026	806	814
Lease liabilities	14	14	14	14	12
Liabilities of discontinued operations	—	—	339	361	2,462
Total liabilities	\$ 42,156	\$ 39,003	\$ 36,892	\$ 35,672	\$ 36,469
Shareholders' equity:					
Additional paid-in-capital	2,748	2,746	2,744	2,741	2,739
Retained earnings (accumulated deficit)	880	507	425	136	(1)
Accumulated other comprehensive income (loss) ("AOCI")	939	1,001	626	1,197	635
Total shareholders' equity	\$ 4,567	\$ 4,254	\$ 3,795	\$ 4,074	\$ 3,373
Total liabilities and shareholders' equity	\$ 46,723	\$ 43,257	\$ 40,687	\$ 39,746	\$ 39,842

(a) Contractholder funds included a \$3 adjustment that was recorded as of the opening balance sheet at June 1, 2020 during the quarter ending September 30, 2020; Contractholder funds, Future policy benefits, and Accounts payable and accrued liabilities included (\$5), (\$7), and \$33 adjustments as of the opening balance sheet at June 1, 2020, respectively, during the quarter ending December 31, 2020; Additionally, Future policy benefits and Accounts payable and accrued liabilities included (\$228) and \$6 adjustments as of the opening balance sheet at June 1, 2020, respectively, during the quarter ending June 30, 2021

Reconciliation of Total Shareholders' Equity to Total Shareholders' Equity Excluding AOCI

	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Total shareholders' equity	\$ 4,567	\$ 4,254	\$ 3,795	\$ 4,074	\$ 3,373
AOCI	939	1,001	626	1,197	635
Total shareholders' equity excluding AOCI (1)	<u>\$ 3,628</u>	<u>\$ 3,253</u>	<u>\$ 3,169</u>	<u>\$ 2,877</u>	<u>\$ 2,738</u>

(1) Refer to "Non-GAAP Financial Measures Definitions"

F&G - An Operating Segment of FNF
Financial Supplement - September 30, 2021
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Condensed Consolidated Statements of Operations

	Three months ended					Nine months ended September 30, 2021
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	
Revenues:						
Life insurance premiums and other fees (a)	\$ 431	\$ 62	\$ 64	\$ 58	\$ 60	\$ 557
Interest and investment income	481	487	373	327	305	1,341
Recognized gains and losses, net	15	253	102	282	77	370
Total revenues	927	802	539	667	442	2,268
Benefits and expenses:						
Benefits and other changes in policy reserves	185	575	(26)	460	251	734
Personnel costs	32	32	29	33	23	93
Other operating expenses	22	26	28	30	33	76
Depreciation and amortization	210	65	144	64	56	419
Interest expense	6	7	8	8	7	21
Total benefits and expenses	455	705	183	595	370	1,343
Pre-tax earnings (loss) from continuing operations	472	97	356	72	72	925
Income tax expense	(96)	(21)	(72)	67	(6)	(189)
Net earnings (loss) from continuing operations	376	76	284	139	66	736
Earnings from discontinued operations, net of tax	(3)	6	5	(2)	(28)	8
Net earnings (loss) attributable to common shareholders	\$ 373	\$ 82	\$ 289	\$ 137	\$ 38	\$ 744

(a) Included within "Escrow, title-related and other fees" in FNF 10-K/ 10-Q

F&G - An Operating Segment of FNF
Financial Supplement - September 30, 2021
(All periods are unaudited).

Reconciliation from Net Earnings (Loss) to Adjusted Net Earnings (1)

	Three Months Ended					Nine months ended
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	September 30, 2021
Net earnings (loss) from continuing operations	\$ 376	\$ 76	\$ 284	\$ 139	\$ 66	\$ 736
Non-GAAP adjustments (1):						
Recognized (gains) and losses, net	(98)	(63)	(82)	(76)	(15)	(243)
Indexed product related derivatives	26	75	(185)	54	14	(84)
Purchase price amortization	7	6	7	7	7	20
Transaction costs	1	2	2	4	10	5
Other non-recurring items (2)	(284)	—	—	—	—	(284)
Income taxes on non-GAAP adjustments	73	(4)	52	—	(8)	121
Adjusted net earnings from continuing operations attributable to common shareholders (1)	<u>\$ 101</u>	<u>\$ 92</u>	<u>\$ 78</u>	<u>\$ 128</u>	<u>\$ 74</u>	<u>\$ 271</u>

Notable Items

Each quarterly reporting period, we identify notable items that help explain the trends in our Net earnings (loss) from continuing operations attributable to common shareholders and Adjusted net earnings (loss) from continuing operations attributable to common shareholders as we believe these items provide further clarity to the financial performance of the business.

	Three Months Ended					Nine months ended
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	September 30, 2021
Adjusted net earnings from continuing operations attributable to common shareholders (1)	\$ 101	\$ 92	\$ 78	\$ 128	\$ 74	\$ 271
Notable items [(unfavorable)/favorable]						
Single premium immediate annuities ("SPIA") mortality & other reserve adjustments (a)	7	3	7	—	10	17
Assumption review and unlocking (b)	—	8	—	—	—	8
Other notable items (c)	20	11	5	68	—	36

(1) Refer to "Non-GAAP Financial Measures Definitions"

(2) Reflects adjustments to benefits and other changes in policy reserves and depreciation and amortization resulting from the implementation of a new actuarial valuation system.

(a) The release of annuity reserves associated with mortality of annuitants, which varies due to timing, volume and severity of experience, and other reserve adjustments.

(b) Reflects unlocking from updating our DAC, VOBA, DSI and cost of reinsurance amortization models for actual experience and equity market fluctuations.

(c) Costs incurred during research and exploration of potential merger or acquisition of a business or a group of insurance policies via asset acquisition or (inforce) reinsurance agreement, income from bond prepayment and CLO redemptions, changes in tax valuation and other net activity.

F&G - An Operating Segment of FNF
Financial Supplement - September 30, 2021
(All periods are unaudited)

Adjusted Net Earnings Statement (1)

	Three Months Ended					Nine months ended September 30, 2021
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	
Revenues:						
Life insurance premiums and other fees (a)	\$ 430	\$ 62	\$ 64	\$ 61	\$ 60	\$ 556
Interest and investment income (b)	381	377	333	315	314	1,091
Recognized gains and losses, net (c)	—	—	—	—	(1)	—
Total revenues	811	439	397	376	373	1,647
Benefits and expenses:						
Benefits and other changes in policy reserves (d)	577	214	188	202	177	979
Personnel costs	32	32	29	33	23	93
Other operating expenses (e)	22	24	26	25	23	72
Depreciation and amortization (f)	49	46	48	46	56	143
Interest expense	6	7	8	8	7	21
Total benefits and expenses	686	323	299	314	286	1,308
Pre-tax earnings (loss) from continuing operations	125	116	98	62	87	339
Income tax expense	(24)	(24)	(20)	66	(13)	(68)
Adjusted net earnings from continuing operations attributable to common shareholders (1)	<u>\$ 101</u>	<u>\$ 92</u>	<u>\$ 78</u>	<u>\$ 128</u>	<u>\$ 74</u>	<u>\$ 271</u>
Notable items included in adjusted net earnings attributable to common shareholders (2)	\$ 27	\$ 22	\$ 12	\$ 68	\$ 10	\$ 61

(1) Refer to "Non-GAAP Financial Measures Definitions"

(2) Refer to page 7 "Notable Items" for further detail of notable items.

(a) Life insurance premiums and other fees are included within "Escrow, title-related and other fees" in FNF 10-K/ 10-Q, and have been adjusted here to remove the effect of cost of reinsurance.

(b) Interest and investment income has been adjusted to remove the market volatility on the alternative investment portfolio.

(c) Recognized gains and losses (net) have been adjusted to remove the effect of recognized (gains) losses including changes in allowance for expected credit losses and OTTI; changes in fair values of indexed product related derivatives and embedded derivatives, net of hedging costs; and the change in fair value of the reinsurance related embedded derivative.

(d) Benefits and other changes in policy reserves has been adjusted to remove the effects of the changes in fair values of indexed product embedded derivatives, changes in allowance for expected credit losses on reinsurance recoverables, the fair value impacts of assumed reinsurance, those resulting from the implementation of a new actuarial system at September 30, 2021, and changes in the SOP 03-1 reserve resulting from the adjustments above, as applicable.

(e) Other operating expenses have been adjusted to remove the effects of transaction costs.

(f) Depreciation and amortization has been adjusted to remove the impact on DAC, VOBA, and DSI of the adjustments above, as applicable, purchase price amortization and those resulting from the implementation of a new actuarial valuation system at September 30, 2021.

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<u>Financial Strength Ratings</u>				
	<u>A.M. Best</u>	<u>S&P</u>	<u>Fitch</u>	<u>Moody's</u>
Holding Company Ratings				
F&G Annuities & Life, Inc. (formerly known as FGL Holdings)				
Issuer Credit / Default Rating	Not Rated	BBB-	BBB	Ba2
Outlook		Stable	Stable	Stable
CF Bermuda Holdings Limited				
Issuer Credit / Default Rating	Not Rated	BBB-	BBB	Ba1
Outlook		Stable	Stable	Stable
Fidelity & Guaranty Life Holdings, Inc.				
Issuer Credit / Default Rating	bbb-	BBB-	BBB	Not Rated
Outlook	Stable	Stable	Stable	
Senior Unsecured Notes	bbb-	BBB	BBB	Baa2
Outlook	Stable			Stable
Operating Subsidiary Ratings				
Fidelity & Guaranty Life Insurance Company				
Financial Strength Rating	A-	A-	A-	Baa1
Outlook	Stable	Stable	Stable	Stable
Fidelity & Guaranty Life Insurance Company of New York				
Financial Strength Rating	A-	A-	A-	Not Rated
Outlook	Stable	Stable	Stable	
F&G Life Re Ltd				
Financial Strength Rating	Not Rated	A-	A-	Baa1
Outlook		Stable	Stable	Stable
F&G Cayman Re Ltd				
Financial Strength Rating	Not Rated	Not Rated	A-	Not Rated
Outlook			Stable	

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Total Product Net Investment Spread

	Three Months Ended					Nine months ended September 30, 2021
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	
Net investment income	\$ 481	\$ 487	\$ 373	\$ 327	\$ 305	\$ 1,341
AAUM (1)	32,692	30,423	29,016	27,864	26,990	30,706
Yield on AAUM (1)	5.89 %	6.40 %	5.15 %	4.69 %	4.52 %	5.82 %
Alternative investment yield adjustment (1)	(1.23)%	(1.43)%	(0.56)%	(0.17)%	0.13 %	(1.09)%
Adjusted Yield on AAUM (1)	4.66 %	4.97 %	4.59 %	4.52 %	4.65 %	4.73 %
Interest credits	\$ 63	\$ 73	\$ 74	\$ 67	\$ 67	\$ 210
Option & futures costs	75	70	65	63	64	210
Total interest credited and option costs	\$ 138	\$ 143	\$ 139	\$ 130	\$ 131	\$ 420
Average account value	30,469	28,273	27,252	26,450	25,688	28,766
Interest credited & option cost	1.81 %	2.02 %	2.04 %	1.97 %	2.03 %	1.95 %
Net investment spread (1)	2.85 %	2.95 %	2.55 %	2.55 %	2.62 %	2.78 %

(1) Refer to "Non-GAAP Financial Measures Definitions" for further details.

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FIA Net Investment Spread

	Three Months Ended					Nine months ended September 30, 2021
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	
Net investment income (1)	\$ 368	\$ 377	\$ 276	\$ 235	\$ 215	\$ 1,021
AAUM (2)	22,146	20,896	20,217	19,097	18,312	21,097
Yield on AAUM (1) (2)	6.65 %	7.22 %	5.46 %	4.92 %	4.70 %	6.45 %
Alternative investment yield adjustment (2)	(1.81)%	(2.20)%	(0.81)%	(0.25)%	0.20 %	(1.62)%
Adjusted Yield on AAUM (1) (2)	4.84 %	5.02 %	4.65 %	4.67 %	4.90 %	4.83 %
Interest credits	\$ 2	\$ 13	\$ 15	\$ 13	\$ 14	\$ 30
Option & futures costs	75	70	65	63	64	210
Total interest credited and option costs	\$ 77	\$ 83	\$ 80	\$ 76	\$ 78	\$ 240
Average account value	20,680	19,842	19,028	18,442	17,948	19,856
Interest credited & option cost	1.49 %	1.67 %	1.67 %	1.65 %	1.73 %	1.61 %
Net investment spread (1) (2)	3.35 %	3.35 %	2.98 %	3.02 %	3.17 %	3.22 %

(1) In December 2020, we restated prior period FIA net investment spread to reflect immaterial updates to FIA net investment income amounts. There was no impact to total product net investment spread amounts.

(2) Refer to "Non-GAAP Financial Measures Definitions" for further details.

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Average Assets Under Management Rollforward

	Three Months Ended					Nine months ended
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	September 30, 2021
AAUM at beginning of period (1)	\$ 30,423	\$ 29,016	\$ 27,864	\$ 26,990	\$ 26,582	\$ 27,322
Net new business sales	2,524	1,668	1,197	874	408	3,764
Net reinsurance transactions and other	(255)	(261)	(45)	—	—	(380)
AAUM at end of period	<u>\$ 32,692</u>	<u>\$ 30,423</u>	<u>\$ 29,016</u>	<u>\$ 27,864</u>	<u>\$ 26,990</u>	<u>\$ 30,706</u>

Annuity Account Balance Rollforward (a)

	Three Months Ended					Nine months ended
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	September 30, 2021
Account balances at beginning of period:	\$ 24,774	\$ 23,803	\$ 22,992	\$ 22,106	\$ 21,442	\$ 22,992
Net deposits	1,311	1,390	1,265	1,305	1,046	3,966
Surrenders, withdrawals, deaths, etc.	(625)	(628)	(585)	(533)	(482)	(1,838)
Net flows	686	762	680	772	564	2,128
Premium and interest bonuses	20	21	18	20	17	59
Fixed interest credited and index credits	217	225	148	131	114	590
Guaranteed product rider fees	(35)	(37)	(35)	(37)	(31)	(107)
Account balance at end of period	<u>\$ 25,662</u>	<u>\$ 24,774</u>	<u>\$ 23,803</u>	<u>\$ 22,992</u>	<u>\$ 22,106</u>	<u>\$ 25,662</u>

(a) The rollforward reflects the vested account balance of our fixed index annuities and fixed rate annuities, net of reinsurance.

Annuity Liability Characteristics

	Fixed Annuities Account Value	Fixed Index Annuities Account Value
	September 30, 2021	
<u>SURRENDER CHARGE PERCENTAGES:</u>		
No surrender charge	\$ 341	\$ 2,478
0.0% < 2.0%	8	112
2.0% < 4.0%	41	711
4.0% < 6.0%	612	1,640
6.0% < 8.0%	1,765	3,364
8.0% < 10.0%	1,799	7,464
10.0% or greater	—	5,326
	\$ 4,566	\$ 21,095

	Fixed Annuities Account Value	Fixed Index Annuities Account Value
	September 30, 2021	
<u>CREDITED RATE (INCLUDING BONUS INTEREST) VS. ULTIMATE MINIMUM GUARANTEED RATE DIFFERENTIAL:</u>		
No differential	\$ 487	\$ 1,376
0.0% - 1.0%	650	1,253
1.0% - 2.0%	1,528	8
2.0% - 3.0%	1,901	—
Allocated to index strategies	—	18,458
	\$ 4,566	\$ 21,095

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Summary of Invested Assets by Asset Class

	September 30, 2021			December 31, 2020		
	Amortized Cost	Fair Value	Percent	Amortized Cost	Fair Value	Percent
Fixed maturity securities, available for sale:						
United States Government full faith and credit	\$ 479	\$ 472	1 %	\$ 45	\$ 45	— %
United States Government sponsored entities	83	85	— %	105	106	— %
United States municipalities, states and territories	1,241	1,301	4 %	1,243	1,309	4 %
Foreign Governments	132	137	1 %	128	140	— %
Corporate securities:						
Finance, insurance and real estate	4,509	4,758	13 %	4,267	4,572	15 %
Manufacturing, construction and mining	856	920	3 %	839	936	3 %
Utilities, energy and related sectors	2,636	2,764	9 %	2,532	2,762	9 %
Wholesale/retail trade	2,226	2,345	6 %	1,900	2,106	7 %
Services, media and other	2,911	3,032	8 %	2,568	2,793	9 %
Hybrid securities	808	893	2 %	888	963	3 %
Non-agency residential mortgage-backed securities	621	646	2 %	677	694	2 %
Commercial mortgage-backed securities	2,602	3,006	8 %	2,468	2,806	9 %
Asset-backed securities	3,752	3,830	11 %	1,920	1,999	6 %
CLO securities	4,164	4,361	12 %	4,021	4,268	14 %
Alternative investments:						
Private equity	933	933	2 %	614	614	2 %
Real assets	318	321	1 %	280	288	1 %
Credit	768	768	2 %	254	254	1 %
Equity securities	950	1,026	2 %	959	1,047	3 %
Commercial mortgage loans	1,984	2,011	5 %	903	926	3 %
Residential mortgage loans	1,500	1,473	4 %	1,128	1,123	4 %
Other (primarily derivatives and company owned life insurance)	896	1,035	3 %	815	997	4 %
Short term investments	258	258	1 %	456	456	1 %
Total (a)	\$ 34,627	\$ 36,375	100 %	\$ 29,010	\$ 31,204	100 %

(a) Asset duration of 6.2 years and 6.8 years vs. liability duration of 7.4 years and 6.7 years for the periods ending September 30, 2021 and December 31, 2020, respectively.

Credit Quality of Fixed Maturity Securities

NAIC Designation	September 30, 2021	
	Fair Value	Percent
1	\$ 14,770	52 %
2	10,899	38 %
3	1,927	7 %
4	747	2 %
5	149	1 %
6	58	— %
	<u>\$ 28,550</u>	<u>100 %</u>

Rating Agency Rating	September 30, 2021	
	Fair Value	Percent
AAA	\$ 982	3 %
AA	1,921	7 %
A	7,273	25 %
BBB	9,804	34 %
Not rated	5,869	21 %
Total investment grade	<u>25,849</u>	<u>90 %</u>
BB	1,621	6 %
B and below	565	2 %
Not rated	515	2 %
Total below investment grade	<u>2,701</u>	<u>10 %</u>
	<u>\$ 28,550</u>	<u>100 %</u>

Summary of Residential Mortgage Backed Securities by Collateral Type and NAIC Designation

	September 30, 2021	
	Amortized Cost	Fair Value
Total by collateral type		
Government agency	\$ 83	\$ 85
Prime	483	507
Subprime	59	59
Alt-A	79	80
	<u>\$ 704</u>	<u>\$ 731</u>

	September 30, 2021	
	Amortized Cost	Fair Value
Total by NAIC designation		
1	\$ 673	\$ 699
2	17	18
3	7	7
4	6	6
5	1	1
	<u>\$ 704</u>	<u>\$ 731</u>

Top 5 Reinsurers

		September 30, 2021			
		Financial Strength Rating			
Parent Company/Principal Reinsurers	Reinsurance Recoverable (a)	AM Best	S&P	Fitch	Moody's
Wilton Re	\$ 1,287	A+	not rated	A+	not rated
Kubera Insurance (SAC) Ltd	789	not rated	not rated	not rated	not rated
Aspida Life Re Ltd	717	A-	not rated	BBB	not rated
Security Life of Denver	103	not rated	A-	A-	Baa1
London Life Reinsurance Co.	102	A+	not rated	not rated	not rated

(a) Reinsurance recoverables do not include unearned ceded premiums that would be recovered in the event of early termination of certain traditional life policies.

Non-GAAP Financial Measures Definitions

The following represents the definitions of non-GAAP measures used by F&G, as an operating segment of FNF:

Adjusted Net Earnings

Adjusted net earnings is a non-GAAP economic measure we use to evaluate financial performance each period. Adjusted net earnings is calculated by adjusting net earnings (loss) from continuing operations to eliminate:

- (i) Recognized (gains) and losses, net: the impact of net investment gains/losses, including changes in allowance for expected credit losses and other than temporary impairment ("OTTI") losses, recognized in operations; the impact of market volatility on the alternative asset portfolio; and the effect of changes in fair value of the reinsurance related embedded derivative;
- (ii) Indexed product related derivatives: the impacts related to changes in the fair value, including both realized and unrealized gains and losses, of index product related derivatives and embedded derivatives, net of hedging cost;
- (iii) Purchase price amortization: the impacts related to the amortization of certain intangibles (internally developed software, trademarks and value of distribution asset (VODA)) recognized as a result of acquisition activities;
- (iv) Transaction costs: the impacts related to acquisition, integration and merger related items; and
- (v) Other "non-recurring", "infrequent" or "unusual items": Management excludes certain items determined to be "non-recurring", "infrequent" or "unusual" from adjusted net earnings when incurred if it is determined these expenses are not a reflection of the core business and when the nature of the item is such that it is not reasonably likely to recur within two years and/or there was not a similar item in the preceding two years.

Adjustments to Adjusted net earnings are net of the corresponding impact on amortization of intangibles, as appropriate. The income tax impact related to these adjustments is measured using an effective tax rate, as appropriate by tax jurisdiction. While these adjustments are an integral part of the overall performance of F&G, market conditions and/or the non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations.

Adjusted Net Earnings from Continuing Operations Attributable to Common Shareholders

Adjusted Net Earnings from continuing operations attributable to common shareholders is a non-GAAP economic measure we use to evaluate financial performance attributable to our common shareholders each period. Adjusted net earnings from continuing operations attributable to common shareholders is calculated by adjusting net earnings (loss) available to common shareholders to eliminate the same items as described in the Adjusted Net Earnings paragraph above. While these adjustments are an integral part of the overall performance of the Company, market conditions and/or the non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, Management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations.

Total Shareholders' Equity Excluding AOCI

Total Shareholders' Equity Excluding AOCI is based on Total Shareholders' Equity excluding the effect of AOCI. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts assessing the level of earned equity on Total Shareholders' equity.

Non-GAAP Financial Measures Definitions (continued)

Average Assets Under Management (AAUM)

AAUM is calculated as the sum of:

- (i) total invested assets at amortized cost, excluding derivatives;
- (ii) related party loans and investments;
- (iii) accrued investment income;
- (iv) the net payable/receivable for the purchase/sale of investments, and
- (v) cash and cash equivalents, excluding derivative collateral, at the beginning of the period and the end of each month in the period, divided by the total number of months in the period plus one.

Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the rate of return on assets available for reinvestment.

Yield on AAUM

Yield on AAUM is calculated by dividing annualized net investment income by AAUM. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the level of return earned on AAUM.

Alternative Investment Yield Adjustment

Alternative investment yield adjustment is the current period yield impact of market volatility on the alternative investment portfolio. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the level of return earned on AAUM.

Adjusted Yield on AAUM

Adjusted Yield on AAUM is calculated by dividing annualized net investment income by AAUM, plus or minus the alternative investment yield adjustment. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the level of return earned on AAUM.

Net Investment Spread

Net investment spread is the excess of net investment income, adjusted for market volatility on the alternative asset investment portfolio, earned over the sum of interest credited to policyholders and the cost of hedging our risk on indexed product policies. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the performance of the Company's invested assets against the level of investment return provided to policyholders, inclusive of hedging costs.